



## Panel formed to corral Medicaid spending

The group of both government officials and business and social service executives is expected to give a final report on reforms by March 1.

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**BY PETER B. LORD**

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As state spending on medical care for the poor rose from \$589 million in 2003 to \$809 million this year, Governor Carcieri proposed cutting thousands of people from the aid program and forcing many others to make co-payments. The General Assembly reversed many of those cuts. Now Carcieri is proposing a different approach to the problem that is increasing the state's costs at twice the rate of its revenues.

Carcieri and Ronald K. Machtley, president of the Rhode Island Public Expenditure Council, announced creation of a Medicaid Study Group that will investigate how the state can "more efficiently and effectively" deliver health care to the poor.

Carcieri asked the group to come back with interim recommendations by Dec. 1 and to provide a final report by March 1 -- early enough to allow changes in the next state budget.

Rhode Island is following the lead of several other states that have already begun changes in their programs. In December Congress passed legislation allowing states flexibility in changing benefits and charging patients more for Medicaid services. States have reacted by adding fees, limiting benefits and creating incentives for patients to take more responsibility for their health. Medicaid covers 55 million poor and disabled people in the United States, with the costs picked up by the federal and state governments.

One problem in Rhode Island is that the federal share has declined percentage-wise, according to Jeff Neal, a spokesman for Carcieri. The state's share is projected to increase by \$63.5 million next year, Neal said. This year Carcieri tried to cut \$43 million from the Rite Care budget, the state's health care program for the poor. But advocates objected and the General Assembly restored many of the cuts.

Carcieri insists state spending on Medicaid benefits is increasing at an unsustainable rate. "We must find ways to reduce the growth rate, while making sure we continue to provide these essential health-care services," Carcieri said in a statement yesterday. One example he cited: many older people would rather be treated for illnesses in their homes, but Medicaid focuses its funding on institutional care, which costs more.

The new study group will be chaired by Gary Sasse, executive director of the Rhode Island Public Expenditure Council, and Jeffrey Grybowski, the governor's chief of staff. Nongovernmental study group members are: Elizabeth Burke Bryant, executive director, Rhode Island Kids Count; Roberta Hawkins, executive director, Alliance for Better Long-Term Care; Leo Canuel, executive director, PARI Independent Living Center; Robert A. DiMuccio, president and CEO, AMICA Mutual Insurance Company; Jonathan D. Fain, president, Teknor-Apex; Stephen J. Farrell, CEO, United Healthcare; Susanne Greschner, director of research, RIPEC; William F. Hatfield, president, Bank of America Rhode Island; John J. Hynes, president and CEO, Care New England; Beverly E. Ledbetter, vice president and general counsel, Brown University; Machtley; Charles Maynard, former president and CEO, Providence Center; Maria Montanaro, president and CEO, Thundermist Health Center; James E. Purcell, president and CEO, Blue Cross & Blue Shield of Rhode Island; Mark E. Reynolds, chief executive officer, Neighborhood Health Plan of Rhode Island; David Rupell, executive director, Perspectives Inc.; and George A. Vecchione, president and CEO, Lifespan.

Governmental group members are: Jane A. Hayward, secretary of the Executive Office of Health and Human Services; Dr. David R. Gifford, director, state Department of Health; Christopher Koller, health insurance commissioner; Ronald A. Lebel, director, Department of Human Services; Patricia Martinez, director, Department of Children, Youth and Families; Dr. Ellen R. Nelson, director, Department of Mental Health, Retardation and Hospitals; and Corinne Russo, director, Department of Elderly Affairs. [plord@projo.com](mailto:plord@projo.com) / (401) 277-8036